

ASPC Kickoff Meeting - Atwood Building, Rm 102/104

June 20, 2017, 10:30am

Jim Steele, Deputy Chief Information Officer (DCIO) for State of Alaska (SOA)

3 years with SOA, from Director of ETS to DCIO

“Help us help you”

- Observations at the SOA: 20% overhead placed on process
- Our customers are your customers
- If you see us doing anything across the state that we shouldn't be doing, LET US KNOW
 - Ex. security requirements like HIPAA/CJIS: we're spending a lot of money assuring that we're covered—*could that be done better? Cheaper?*
- Shareholder and stakeholder expectations are important, but so is building relationships
 - Ex. Renovation project in ANC involved in taking wiring out and re-installing it with newer cameras = \$1mil savings
- AK does things other States don't
 - Roughly 3,000 apps, mostly homegrown
 - Rather than developing own apps, can they be purchased?
- Need YOUR help avoiding duplicate or redundant purchases
- Quasi-customers: local gov't-affiliated groups that can take advantage of the contracts put together by the State
 - Intro: Zal Parakh, CIO Municipality of Anchorage (MOA), roll out cost-efficient SAP plan
- Long, drawn out process of developing contracts, then asking for discounts
→ *Streamline the process*
- Today: draft charter & network
- Kickoff: Initial ideas, survey monkey follow-up
- Commitment:
 - Open to new ideas (new vendors, too)
 - Drive cost of IT down: price per capita of IT in AK = \$275
 - \$260M known spend on IT in 2016 (probably closer to \$300M) - HIGH

Jason Soza - SOA Chief Procurement Officer

20 yrs with SOA, 4th year as CPO

Influencing how we move forward with regards to what works in IT procurement and what doesn't

- Past/Semi-current state: very disjointed
- Few years ago, met with 7 largest companies in ANC to ask about challenges in private procurement processes
 - Answer: Individual silos, maverick spending
- In public sector, each department *is* their own corporation, with own mission and own employees supporting that mission, and budgets in the millions
- The challenge is in bringing all of these different entities *together* to standardize IT procurement
 - Acquire goods and services *efficiently, timely and effectively* to maximize resources and help agencies accomplish their public mission
 - OIT provide core IT services to agencies to help agencies accomplish their missions
- IT Procurement was paper-based until 2 years ago - *now electronic*
- Having central point of contact for IT procurement in SOA is huge
- ASPC feeds into our roadmap
 - Let us know if we're going off track
- Cross-departmental procurement team - APOG

- Initial successes just by getting in the same room/same page
- Lean Six Sigma
- Culture change—older procurement model from 1979 ready for update
- *Procurement no longer process-based*
- Add value/save money
- 150 RAPS/yr, approx. 3.25 day to do initially, now down to under half a day
- Category Management - newer initiative since it's the first time all depts are looking in the same direction
- FY18: begin picking off parts of procurement code that no longer add value
- Laws, regulations, policies are all interpreted differently in each department
- Ethics disclaimer: participation in the ASPC is not contractual, does not give any one vendor an advantage - no purchases happening in ASPC, space for advising

Bill Vajda, SOA Chief Information Officer (CIO)

Joined SOA in January 2017

Why are we all here?

- BV = agent of change w/fresh outlook (long-standing investment comes with biases)
 - *Made a career out of moments of change*
 - Change is hard, but it can be a good thing for everyone
 - Participated in public/private partnerships, AFCEA member, Industry Advisory Council
- State and vendors work together forever to determine who has authority to make decisions, then give tight timeframe for OFP
- Vendors outnumber the State 10:1 - powerful stakeholder group
- Now is the time for Alaskans to step up for Alaska
- Why? When the Governor decides to reduce business, *we figure out how*

How is the SOA transitioning?

- 4/25/17: AO-284 created the OIT, mandated new hierarchy, set priorities
- Develop crisp line between commodity IT services and line of business (LOB) IT
 - *Everything is commodity, unless it's been specifically developed for a LOB*
 - *ex. SharePoint = Commodity*
- 5 Chief Technology Officers (CTOs) – hiring now (posted on Workplace AK)
Report directly to the CIO
 - CTO – P3 (Portfolio, Plans and Policies) = Ryan Mitchell-Colgan
 - CTO – Chief Information Security Officer (CISO)
 - CTO – Data Center Operations
 - CTO – Telecommunications/Network
 - CTO – Customer Service
- 15 Department Technology Officers (DTOs) – one for every department
 - Formerly department IT managers
 - Transitioning to function more like account managers
- OIT Governance Committee (Steering Group)
 - OIT + Commissioner Fisher (DOA) + Director Pitney (OMB)
 - Oversee 6 function-specific working groups
 - Analysis due by September 2017 to inform FY19 budget-planning

- Baseline
 - Identify all IT assets, resources, standards and compliance requirements
 - Tracking down everything in IT which is currently spread out and in some cases hidden in each dept
 - How much do we need to keep? What else do we need? Was there any overspend?
 - Help: you know what you sold us and potentially who's using it
→ *share/confirm that info (Opportunity)*
- Project/Portfolio Working Group
 - SOA Governance process for managing IT investment portfolio
 - Project/Portfolio management framework and system
- Cost Allocation and Internal Rate Review
 - Need: investment process w/business requirements
 - Modify service catalog
- Account Reform
 - Need: standardized accounting process
 - When grants are being written, requirements become too specific, overdrive
- Workforce
 - SOA IT workforce aging out → will need new hires, new training
 - Many IT workers joined SOA in 2000 (during Y2K scare)
 - Service-level IT: manages services by bodies instead of by time
 - Reform issues – classifications, skills and training
 - “Waterfall” migration strategy and support
- OIT Administrative Operations
 - Stand up office (HR, admin, finance, procurement...)
- Departmental staff transition
 - Waterfall-model of transition, moving people/PCNs one chunk at a time
 - Start with ETS/DNR/DEC/DOR on July 1
 - Enterprise Technology Services, Dept of Natural Resources, Dept of Environmental Conservation, Dept of Revenue
 - Every quarter, move more departments into OIT

Where do our relationships with our partners come in?

- Help us figure out what your stake and what your interests are in IT to play the long game
- What have we inherited so far? (frugal/better/faster/cheaper)
- Help us make best decisions moving forward since we lack funding to maintain business as usual
- When we make cuts: stuff vs. people, stuff loses

Q&A:

Completion by September means what?

Means OIT has all the answers to their questions. (Baseline, etc)

4 cohorts rolling in means the people in those departments are now direct-line to OIT

- ex. Database person for DOT, now a Database person for OIT

This represents a significant change because most people currently have multiple functions

Investment review process jointly conducted between senior leadership in dept and OIT

OIT does not affect LOB operations, just IT with business recommendations

Processes vary wildly

Similar to A11 process: IT folks inform the possibilities and help influence the decisions ultimately taken by OMB

Goal: decent standardization of catalogs

What is your vision for the ASPC? Vendors are most effective if talking to each other and the CIO about specific issues where we have role(s). How will that work?

OIT will roll out a follow-up survey for members of the ASPC

Goal of breaking down silos even among partners

Gov't fails when it acts unilaterally without consultation

Value in cooperation

Tough to pass single-vendor solutions on the legislative side

Longer term, the ASPC acts as a sounding board for IT Spend/Procurement in SOA

It's not the CIO's job to fire people or cut contracts

Are you looking at standardizing across the agencies all of the architecture, datacenter baselines, etc?

YES